

SECOM-D-357

MEMORANDUM FOR: Director of Central Intelligence  
VIA: Deputy to the DCI for Support  
FROM: Robert W. Gambino  
Chairman  
SUBJECT: Resources for Personnel Security (U)

1. (U) Action Requested: Your signature on a proposed letter responding to the Secretary of Defense's comments on resources for personnel security.

2. (C) Background and Discussion: On 6 June 1978 the NFIB approved DCID 1/16 which provides policy on security of intelligence in ADP systems. General Aaron spoke to the problems the Military Services would have in meeting imposed personnel security requirements. The Board noted that the estimated \$2 million cited by General Aaron as the extra costs of investigations appeared marginal when weighed against the risks. In approving the DCID, the Acting Chairman directed that a letter be prepared to the Secretary of Defense describing the issue and seeking his cooperation in making adequate resources available to conduct the necessary investigations on military personnel. These resources are not in the NFIB.

You signed such a memorandum on 28 June 1978 (Tab A). Secretary Brown responded on 2 August 1978 (Tab B). He notes that the \$2 million cost figure was made a year ago and, in order to ensure the validity of the figure, he is querying the Department of Defense components concerned. This assessment to update the impact DCID 1/16 will have on Department of Defense investigative resources will be made available to us upon its completion. In the interim, the Secretary asks that we withhold the DCID.

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The DCID was effective on date of the NFIB approval, 6 June, and the printed version was disseminated on 2 August rendering moot the Secretary's request to withhold issuance.

We believe that any resource impact lies downstream as more computer systems are planned and brought on line. If this does not hold true for Department of Defense, we should review the provisions of DCID 1/16 to see what arrangements can be made for an accommodation while attending to the requirements for protection of the information involved. A memorandum to this effect has been prepared and coordinated with the Deputy to the DCI for Support.

3. (U) Recommendation: That you sign the attached proposed letter.

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Robert W. Gambino

Attachment

Distribution:

Orig - DCI w/att  
1 - DDCI w/att  
1 - ER w/att  
1 - D/DCI/S  
1 - OS Registry  
1 - C/SECOM w/att  
1 - SECOM Subj File w/att *DCI D/1/16 one copy*  
1 - SECOM Chrono w/att *Complete sub-comm 1 copy*

DCI/SECOM:  10 Aug 78)

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18 AUG 1978

The Honorable Harold Brown  
Secretary of Defense  
The Pentagon  
Washington, D. C. 20301

Dear Harold:

(U) Your 2 August 1978 letter asks me to withhold issuance of DCID 1/16 pending completion of an assessment to update the impact this DCID will have on Department of Defense investigative resources. This DCID was approved by the National Foreign Intelligence Board on 6 June 1978 and is effective as of that date. Subsequently it was issued in its published form on 2 August 1978.

(U) I appreciate your concerns about the resource impact, but believe any resource impacts lie in the future as more computer systems are planned and brought on line. I doubt that it will affect near term budgetary processes. Please let me know if this does not hold true for Defense.

(C) My concern in the computer environment is the inability of computer hardware and software to provide the requisite security for highly sensitive intelligence information processed or stored in many of our systems. Based on this inability of the systems to protect the information, access to the systems must be restricted to those individuals who meet the highest criteria for loyalty and trustworthiness. I believe this requirement will permit a balance between a high degree of security and efficiency/effectiveness of operations using computer systems.

(U) I am, of course, prepared to review the provisions of DCID 1/16 in view of your assessment and the requirements for protection of the information involved.

Yours,

STANSFIELD TURNER

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**CONFIDENTIAL**

28 JUN 1973

MEMORANDUM FOR: The Honorable Harold Brown  
Secretary of Defense

SUBJECT: Resources for Personnel Security (U)

1. (C) With the concurrence of the National Foreign Intelligence Board (NFIB), I have approved issuance of a directive (DCID 1/16) providing policy and procedures on the security of foreign intelligence in automated data processing (ADP) systems and networks. NFIB discussion of this matter focused on personnel security considerations bearing on system access. The Board noted that we do not yet have fully reliable security software for ADP systems to guard against unauthorized access to volumes of sensitive data or modification of data bases. The consensus was that we can best guard against these problems by ensuring that persons authorized access to ADP systems holding sensitive data have had personnel security investigations sufficient to verify their bona fides and to provide reasonable assurances of their loyalty and trustworthiness. The new DCID 1/16 requires persons accessing a central computer facility or its terminals when the system holds sensitive compartmented information to have a TOP SECRET clearance based on prescribed background investigation requirements set forth in DCID 1/14.

2. (C) I am aware that DCID 1/16 will require Defense (particularly for the Military Services) to conduct more background investigations than they do now. I recognize that this carries resource implications, but I am convinced that the modest amount involved (roughly \$2 million) is marginal when contrasted to the direct cost benefits of sharing ADP systems and to the value to national security of maintaining the security integrity of sensitive intelligence. I therefore seek your assistance in ensuring that sufficient resources are made available to conduct adequate background investigations on military personnel and Defense employees who will have access to sensitive intelligence in ADP systems.

/s/ Stansfield Turner

STANSFIELD TURNER

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NFIB-M-40  
6 June 1978

MEMORANDUM FOR NATIONAL FOREIGN INTELLIGENCE BOARD

SUBJECT: Minutes of the Fortieth NFIB Meeting,  
6 June 1978, [REDACTED] 1400-1500 Hours

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ATTENDEES

Mr. Frank C. Carlucci, Acting Chairman

[REDACTED] Deputy to the DCI for Resource Management

Dr. Robert Bowie, Deputy to the DCI for National Intelligence

[REDACTED] U.S. Army (Ret.), Deputy to the  
DCI for Collection Tasking

Mr. William G. Bowdler, Director, Intelligence and Research,  
Department of State

Dr. Gerald P. Dinneen, Assistant Secretary of Defense  
(Communications, Command, Control and Intelligence), OSD

Lieutenant General Harold R. Aaron, U.S. Army, Acting for Director,  
Defense Intelligence Agency

Vice Admiral B. R. Inman, U.S. Navy, Director, National  
Security Agency

Mr. Jimmie Hill, Acting for Under Secretary of the Air Force

Mr. J. Foster Collins, Department of Treasury Representative  
to NFIB

Mr. Walter McDonald, Department of Energy Representative to NFIB

Mr. J. Michael Kelly, Department of Justice Representative to  
NFIB

Mr. William Cregar, Federal Bureau of Investigation Representative  
to NFIB

Brigadier General James A. Teal, Jr., USA, Acting for Assistant  
Chief of Staff, Intelligence, Department of the Army

Rear Admiral Donald Harvey, U.S. Navy, Director of Naval  
Intelligence, Department of the Navy

Colonel Jack Morris, USAF, Acting for Assistant Chief of Staff,  
Intelligence, United States Air Force

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- Mr. David Laux, Acting for Department of Commerce Representative to NFIB
- \*Mr. William Bader, Acting for Deputy Under Secretary of Defense for Policy, OSD
- \*Mr. Samuel Hoskinson, Representative of the Assistant to the President for National Security Affairs
- \*Mr. John F. Blake, Deputy to the DCI for Community Support

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\*Part of Meeting

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SUMMARY OF ACTIONS COMPLETED

1. Nomination of [REDACTED] USAF (Ret.)  
for the National Intelligence Distinguished Service Medal  
(NFIB-2.8/36)

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On 15 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject nomination.

25X1

[REDACTED]

25X1

On 15 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject nomination.

[REDACTED]

25X1

On 15 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject release.

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[REDACTED]

On 15 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject release.

[REDACTED]

25X1

On 15 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject conference.

6. Nomination of [REDACTED] for the National  
Intelligence Medal of Achievement (NFIB-2.8/35)

25X1

On 19 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject nomination.

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7. Nomination of [REDACTED] for the National Intelligence  
Medal of Achievement (NFIB-2.8/34)

On 19 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject nomination.

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8. Nomination [REDACTED] for the National Intelligence  
Distinguished Service Medal (NFIB-2.8/37)

On 22 May 1978, the Chairman, with the concurrence of  
NFIB, approved the subject nomination.

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9. Nomination [redacted] for the National Intelligence Distinguished Service Medal (NFIB-2.8/35)

On 15 May, the Chairman, with the concurrence of NFIB, approved the subject nomination.

[redacted]

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On 26 May 1978, the Vice Chairman, with the concurrence of NFIB, approved the subject.

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[redacted]

On 26 May 1978, the Vice Chairman, with the concurrence of NFIB, approved the subject.

12. Intelligence Definitions (NFIB-24.1/17)

On 22 May 1978, the Chairman, with the concurrence of NFIB, approved the subject as amended.

25X1

[redacted]

On 30 May 1978, the Chairman, with the concurrence of NFIB, approved the subject.



NFIB-M-40  
6 June 1978

Summary of Decisions:

The Acting Chairman, with the concurrence of the Board, approved NIE 32-78 as amended.

The Acting Chairman, with the concurrence of the Board, approved DCID 1/16, "Security of Foreign Intelligence in Automated Data Processing Systems and Networks"; approved DCID 1/19, "Uniform Procedures for Administrative Handling and Accountability of Sensitive Compartmented Information," as amended; approved DCID 1/20, "Security Policy Concerning Travel and Assignment of Personnel with Access to Sensitive Compartmented Information."

With reference to DCID 1/16, the Acting Chairman directed that a letter be prepared for the DCI to send to the Secretary of Defense on the question of making resources available to ensure adequate security clearances within the military services.

1. [REDACTED]

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25X1 During presentation of the subject estimate by [REDACTED] NIO for Near East and South Asia, the Board agreed to several changes as proposed at the meeting, and the Acting Chairman approved the estimate, as amended.

25X1 [REDACTED] accepted a suggestion by General Aaron that work should proceed as soon as possible on a community assessment of the situation in Afghanistan.

2. Security Issues

Mr. Robert Gambino, Chairman of the DCI Security Committee, presented three DCID's for NFIB consideration.

a. DCID 1/16, "Security of Foreign Intelligence in Automated Data Processing Systems and Networks"

Mr. Gambino summed up the divergent views on DCID 1/16, and General Aaron stated the case for the military services who would require an estimated \$2 million to conduct background investigations of some 5,000 people to comply with the investigative standards as set forth in DCID 1/14.

The Board noted that mismatch in security standards could have profound implications for common data bases in the intelligence community. One problem was that the budget for the Defense Investigative Service fell outside the NFIP and budget.

There was a consensus that no existing software system could permit the intelligence community to certify all ADP systems as secure. It was noted that access to an ADP system allowed access to volumes of classified information and created the potential for modification of the data base.

25X1 [ ] noted that the added expense for conducting adequate background investigations in the Department of Defense seemed marginal when compared to the stakes involved in the ADP system and the information carried therein.

In response to a question by William Bowdler about the dimensions of the problem, Robert Gambino cited estimated costs by the military services to comply with DCID 1/14. He also noted that some \$10 million was being spent annually to improve the security of software systems.

The Board noted that more background investigations could lead to an increase in the number of billets for special compartmented information. There was a consensus that access would be on a need-to-know basis, and that all those cleared would not necessarily be briefed.

The Acting Chairman, with the concurrence of the Board, approved DCID 1/16 as presented and directed that a letter be prepared for the DCI to send to the Secretary of Defense on the question of making resources available to conduct adequate background investigations for security clearances within the military services.

NFIB-M-40

b. DCID 1/19, "Uniform Procedures for Administrative Handling and Accountability of Sensitive Compartmented Information"

Mr. Gambino noted that all members of the Board concurred in the proposed DCID with the exception of NSA.

Admiral Inman noted that NSA operated almost exclusively within a special compartmented information environment. An amendment to the proposed DCID which would not impose new procedures on NSA was circulated and accepted.

The issue of using the U.S. Postal Service to exchange information between [redacted] was discussed, and it was agreed that the issue could be handled without prejudice to the proposed DCID.

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The Acting Chairman, with the concurrence of the Board, approved the DCID, as amended.

c. DCID 1/20, "Security Policy Concerning Travel and Assignment of Personnel with Access to Sensitive Compartmented Information"

Mr. Gambino noted that the Security Committee had received no reports of hostile actions directed against travellers because of their access to special compartmented information. He noted that there was a consensus among legal counsels that it would be difficult to enforce restrictions on travel. He also cited one opinion that the DCI might be required to make a finding about specific areas and specific times and that such a restriction might be upheld in court. He noted a list of countries currently promulgated and reviewed by the Security Committee.

Admiral Inman pointed up an apparent inconsistency between the proposed relaxation of controls on travel at a time when the concern for increased security seemed to be growing. He said that NSA was bound by administrative agreements to maintain stricter controls over travel than those proposed in the DCID.

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The Board agreed that the new DCID would constitute minimum standards throughout the community, but that no individual department or agency would be proscribed from applying stricter criteria or from imposing penalties based on their own standards.

There was a consensus that the Security Committee would be kept informed of travel restrictions which exceeded the agreed minimum standards and that relevant experiences of travellers with access to special compartmented information would be forwarded to the Security Committee.

Mr. Michael Kelly, representative from the Department of Justice, noted that he wished to reserve judgment on potential legal implications of the proposed DCID's, but did not interpose an objection to their approval.

The Acting Chairman, with the concurrence of the Board, approved the subject DCID.

[Redacted Signature]

Walter Elder  
Executive Secretary

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